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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 540
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 540's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Kelly and Ghanbari

Local Impact Statement Procedure Required: No

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Highlights

- The bill has no direct fiscal effect on the state or any political subdivision. It makes no change to the employer contribution rate of any of the five state retirement systems.

Detailed Analysis

H.B. 540 requires each of the state retirement system boards to disclose certain financial information regarding “alternative investments.” The bill defines “alternative investments” as investments in a private equity fund, venture fund, hedge fund, real estate fund, or absolute return fund. The five state retirement systems are the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), the School Employees Retirement System (SERS), the Ohio Police and Fire Pension Fund (OP&F), and the State Highway Patrol Retirement System (SHPRS).

The bill requires each of the five boards to require each entity through which it makes an alternative investment to disclose to the board certain information concerning the entity and the underlying investment at least annually. The required information generally is related to fees and expenses that the retirement system pays out due to the investment, and the rate of return earned on the investment. The bill requires each board then to publish a report at least annually presenting that information and certain other information related to the investment.

The bill has no direct fiscal effect on the state or any political subdivisions. It does not make changes to employer contribution rates for any of the five funds. It may increase costs for each of the state retirement systems due to the reporting requirement, but LBO staff believe that such cost increases, if any, would be minimal.